

BOARD OF SUPERVISORS

FEBRUARY 22, 2005

The Lassen County Board of Supervisors convene in Regular Session at 9:05 a.m. Chairman Keefer asks for public comment and no comments are received. County Clerk Nagel announces the Closed Session items and the Board recesses to Closed Session at 9:06 a.m. for: 1) Employee performance evaluation: County Administrative Officer Bill Bixby; and 2) Conference with Legal Counsel: Significant exposure to Litigation Pursuant to Subdivision (b) of Government Code Section 54956.9, in reference to policy by NorCal EMS concerning ambulance service in Susanville area.

Present in the Closed Session are Supervisors Robert Pyle, Jim Chapman, Lloyd Keefer, and Brian Dahle; County Counsel John Ketelsen, County Administrative Officer Bill Bixby, Emergency Services Director Chip Jackson and County Clerk Theresa Nagel. Supervisor Hanson enters at 9:16 a.m. Chip Jackson departs at 9:29 a.m. prior to the employee performance evaluation. Closed Session is recessed at 9:36 a.m.

The Lassen County Board of Supervisors reconvenes in Regular Session on Tuesday, February 22, 2005, at 9:39 a.m. Present: Supervisors Robert Pyle, Jim Chapman, Lloyd Keefer, Brian Dahle, and Jack Hanson; County Counsel John Ketelsen, County Administrative Officer (CAO) Bill Bixby and County Clerk Theresa Nagel. Following the flag salute, the invocation is offered by Supervisor Keefer.

ANNOUNCEMENT OF ITEMS DISCUSSED IN CLOSED SESSION

The County Clerk announces the Closed Session dealt with: 1) conference with Legal Counsel: Significant exposure to Litigation Pursuant to Subdivision (b) of Government Code Section 54956.9, in reference to policy by NorCal EMS concerning ambulance service in Susanville area - no reportable action taken; 2) Employee performance evaluation: County Administrative Officer Bill Bixby - the Board acknowledges receipt of the CAO's letter setting forth his intended departure in mid-July, and authorizes staff to commence recruitment procedures.

AGENDA APPROVAL, ADDITIONS AND/OR DELETIONS

Supervisor Hanson requests the addition of an item to authorize the chairman to sign a letter to Union Pacific Railroad relating to the planned abandonment of the Flanigan Industrial Lead between Flanigan, Nevada and Wendel, California.

Pursuant to Government Code Section 54954.2 (2) that the need to take action arose subsequent to the agenda being posted, and cannot wait for the next meeting, it is moved by Supervisor Hanson, seconded by Supervisor Pyle and carried unanimously, on a roll call vote, to add the letter to Union Pacific Railroad to the agenda and to approve the amended agenda.

PUBLIC COMMENT

Jack Pastor states that Lassen County has great assets with clean air, clean water, etc. and expresses his concerns about the Lassen National Park prescribed burn plans for 120 days during the peak tourist season. He suggests obtaining a portable air monitoring system, such as Plumas County has. He also wonders what the federal and state laws require in regard to smoke in the air, since the National Park has said they will abide by all laws. He suggests the Air Board may want to obtain such monitoring equipment. Chairman Keefer notes that Ken Smith has a meeting scheduled for the Air Pollution Control District on March 15th and this matter will be placed on that agenda. It will also be placed on the March 22nd Board of Supervisor's agenda for a report and discussion.

UNAGENDIZED BOARD REPORTS

1. Supervisor Dahle reports on a meeting with the Providence Farm Center in regard to juniper encroachment - he will also be addressing this issue when he attends NACO-WIR in Washington, D.C., March 4-7, 2005; designates \$500 of his discretionary funds go to the Big Valley Chamber of Commerce for a public bulletin board.
2. Supervisor Hanson announces a town hall meeting in Herlong on February 24th for discussions on redevelopment, Redevelopment EIR, and plans for developing the community; reports he met with Doyle Fire District regarding fire protection for the Herlong area and states an effort will be made to obtain mutual aid agreements with Doyle and Milford Fire Districts; reports on the ongoing problems with stray cattle.
3. Supervisor Chapman discusses access to public lands for tourism and the adverse affect the Thompson Bill will have.
4. Supervisor Keefer announces the Economic Development Council meeting will be held next Monday; gives a letter from Tribal Chief Stacy Dixon relating to requirements of SB 18 to staff for review.

CONSENT CALENDAR

Supervisor Hanson requests that Item G-2, prison trials costs, be pulled for separate consideration.

It is moved by Supervisor Dahle, seconded by Supervisor Pyle and carried to take the noted action on the following Consent Calendar items:

COUNTY CLERK ITEM

Approve Minutes of February 15, 2005.

TREASURER'S ITEM

Adopt Resolution No. 05-005, authorizing the Westwood Unified School District to issue and sell bonds on its own behalf pursuant to state law.

MISCELLANEOUS CORRESPONDENCE ITEMS

Receive and file the following correspondence:

- a. Lassen County Fair Advisory Board meeting minutes of January 11, 2005 and January 26, 2005.

GRANITE FOX POWER PLANT

BLM Eagle Lake Field Manager Dayne Barron informs the board members that the administrative draft of the Resource Management Plan has been a little delayed and is expected to be complete in May. They are no longer working with the contractor but are doing the work in-house.

He introduces Barbara Kehrberg from the Winnemucca Field Office who is the planning lead on the Granite Fox Power Plant studies. Granite Fox is one of the biggest projects in the US as it would power 1,450,000 homes a year (compared to Valmy - 572,000 homes; Tracy - 500,000 homes). The location is 10 driving miles from Gerlach, Nevada, 110 miles to Reno, 114 miles to Susanville. Involves 2,000 acres of private land for the power plant, man camp during construction phase, collection point for current, waste deposition site for fly ash and calcium sulfate; and 260 acres on public lands for a 30 mile water pipeline, 6.8 mile railroad spur to transport coal and 1.5 mile link to Bonneville transmission line. Ms. Kehrberg states the water pipelines for this plant start in the BLM Eagle Lake District, but the project is in the BLM Winnemucca District. The plant needs 16,000 acre feet of water per year and they have options on 25,000 acre feet - none of which are Fish Springs water rights. Supervisor Hanson notes the options have not yet been perfected on all these water rights. Federal regulations require an Environmental Impact Statement (EIS) to analyze potential effects on the entire project study area for both public and private lands.

Ms. Kehrberg stresses we are very early in the process and it may be a year before a draft EIS is out and another year for the final EIS. She states that public meetings to

receive comments will be held in several locations, including Susanville. BLM's estimated timelines are: 2005 - selection of 3rd party contractor for EIS and public scoping meetings for comments; 2006 - publish draft EIS, public meetings and comments on draft EIS, review comments and publish Final EIS; 2007 - resolve comments on Final EIS, Record of Decision. Granite Fox estimated timelines: 2007 - start construction involving 1,800 workers; 2010/2011 - begin operations with about 150 workers; 2060 - operations projected to continue 50-60 years.

Supervisor Hanson asks if Lassen County could be a cooperating agency. Ms. Kehrberg suggests sending a request to the BLM Winnemucca Office.

Jack Pastor states that coal fired plants have historically been the worst air polluters. He also wonders if the water for cooling will be re-injected into the aquifer.

PRISON TRIALS COST REIMBURSEMENT

Supervisor Chapman requests the monthly reports from Laura Roberts be sent to the wardens of CCC and HDSP, either by Ms. Roberts or by administration.

Supervisor Hanson wonders why the HDSP January costs went down so dramatically, but realizes he will have to obtain that information from Ms. Roberts.

CAO Bixby reports he is working on a letter to our state representatives. He has heard from the District Attorney that cases from the prisons which are usually plead-out are not doing so and therefore the workload will be increasing.

It is moved by Supervisor Dahle, seconded by Supervisor Hanson and carried to receive and file Recap of California Correctional Center (CCC) and High Desert State Prison (HDSP) Trials Cost Reimbursement Billing for January 2005.

Recess 10:34 - 10:40 a.m.

UNION PACIFIC RAILROAD

It is moved by Supervisor Hanson, seconded by Supervisor Chapman and carried to approve and authorize the chairman to sign a letter to Union Pacific Railroad imploring them to not take any further action with regard to the proposed abandonment of the Flanigan Industrial Lead Rail Line until HL Power has been given full opportunity to successfully pursue their efforts for acquisition of this very important rail facility. (Supervisor Hanson departs at 10:44 a.m.)

BUDGET OVERVIEW BY CAO

CAO Bixby presents a Budget Overview of the Lassen County General Fund, Public Safety Fund and Probation Fund. He points out the Profile of Major Sources of Revenue chart which shows the average increase from 1990/1991 through 2004/2005 for property taxes, sales taxes, PILT and VLF is 3.19% per year; and for construction permits - 18.13% per year. (Supervisor Hanson returns at 10:46 a.m.)

Supervisor Dahle asks if the numbers in this report are real numbers that we can rely on, and he states this report contains a lot of good information and he wants to use this information in making budget decisions if it is good. Auditor Fouch agrees with the numbers in the report. CAO Bixby states there will always be some discrepancy between the CAO numbers and the Auditor numbers due to the way the figures are determined. What he wants the board members to see is the trends and to project those trends into the future.

Supervisor Pyle states the figures show we are short \$1 million in regard to revenues versus expenditures and we need to put a plan together to create a balanced budget. He notes there was a \$1.5 million increase in budgets in one year. CAO Bixby notes the county is not operating at a deficit because reserves were used to balance the budget, but we are not operating within our yearly revenues. Supervisor Pyle states he will support a budget where expenditures do not exceed revenues or with a concrete plan to achieve that within two years.

Supervisor Chapman states this report provides information to work with and he goes on to discuss what occurred with the budgets last year. He states we need to take this information and put it into a projected plan.

Supervisor Dahle states it is simple - either raise revenues or decrease expenses.

CAO Bixby states there is no way staff could have predicted the large increases in retirement or worker's compensation and these are a major impact on the finances.

Supervisor Pyle states that he cannot support a three year plan - only a two year plan and only if it is concrete.

Discussion is held on the templates that Chris Beard presented in 2003/2004 that included a three year plan of recovery and why that information is not available. CAO Bixby states if he had the original templates he could plug numbers in and make projections, but those templates became corrupted. Supervisor Chapman and Auditor Fouch both indicate they have the old templates that should be able to be fixed and used.

Supervisor Keefer compliments the CAO and staff for this budget report - it is one of the best he has seen since he has been on the Board, but he does take exception to the third paragraph on page 8 which states: "Throughout the year I have proven that I absolutely, completely and without exception cannot anticipate the desire of the board in reducing expenditures for personnel and programs." Mr. Keefer felt the board gave clear direction at the end of the budget sessions on what was wanted. He also has a real concern over the amount shown in the report as the savings if a furlough had been used because he does not believe they are the same as was provided during the budget sessions. He appreciates receiving the information on page 4 that shows the big increase in services and supplies for the Sheriff and Probation budgets this year. He feels the board needs to focus on over-budgeted services and supplies and vacant positions, then look to personnel and lastly to furloughs, during the budget sessions this year.

CAO Bixby mentions that certain funds could be diverted to the general fund, such as aviation fund, and he feels this should also be considered. Also need to look at the fees for services.

Supervisor Chapman feels a determination should be made on what percentage of the budget would create a healthy reserve and set this aside as a point to begin.

CAO Bixby states in past years there was \$900,000 to \$1.1 million as carryover and that is a good amount, but if the amount is, as an example, \$1.7 million then \$700,000 should be placed in reserve. Funds in reserve create the need for the board to vote to remove those funds, not just simply using the cash balance on hand. He also wants the board to take a good look at one-time dollars and placing them in capital improvement or reserve funds. Another suggestion he has is to knock down the old jail and build a mirror of the administration building.

Supervisor Chapman cautions there are folks in Sacramento looking to force local governments to spend their reserves, by delaying reimbursements due to the counties.

CAO Bixby will proceed with putting together a budget. The Board needs to adopt policies regarding cash flow and cash reserves. He would also like to find ways to cooperate with the city for more efficiency. He will bring back a series of policy statements for the Board to consider and make decisions. Budget sessions are tentatively set for April 18th, 19th, and if needed the 20th.

LASSEN COUNTY FAIR BOARD

The Board of Supervisors recess and convene as the Lassen County Fair Board.

It is moved by Supervisor Pyle, seconded by Supervisor Hanson and carried to accept the letter from Mary Thomason resigning from the Lassen County Fair Advisory Board and direct County Clerk to advertise the vacancy.

The Board of Supervisors reconvene.

DISTRICT ATTORNEY

It is moved by Supervisor Dahle, seconded by Supervisor Pyle and carried unanimously, on a roll call vote, to adopt, by title only, Ordinance No. 530-C, amending Chapter 9.70 relating to fireworks.

CORRESPONDENCE

1. A copy of a letter from Planning Commission Secretary Robert Sorvaag to Lassen County Department of Public Works stating that Hackstaff Road Bridge Replacement and Leavitt Lane Bridge Replacement have been determined to be in conformance with the Lassen County General Plan - 2000, is received and filed.
2. The Norcal EMS Interim Policy, ambulance subscription and response areas is received and filed. Supervisor Chapman finds the memo from Norcal EMS interesting in addressing the subscription service as he has told people that maybe the ambulance provider could refund their payments since they are not providing the service. He found Norcal's action amazing because they did not communicate with the Board of Supervisors prior to adopting the policy. He feels a communication should go to Norcal stating they would appreciate consultations with the Board prior to taking action.

Noon recess 11:45 a.m. - 1:34 p.m. Supervisor Dahle is absent.

STUDY SESSION - COST ALLOCATION PLAN

Auditor Karen Fouch introduces Cost Plan Consultant Brad Wilkes from Public Resource Management Group who (Supervisor Dahle enters at 1:39 p.m.) presents information on the purpose of a cost allocation plan (CAP), which originated from the federal government for reimbursements to local governments for administering federal programs.

Supervisor Chapman wants to get to the current process that charges county departments for services from other county departments.

Mr. Wilkes states the CAP can also be a tool to calculate the full costs of providing

services. How the county uses the CAP is a county decision. He notes the use of CAP has evolved to counties billing enterprise funds (non-general fund programs) for the indirect costs. Supervisor Chapman states this answers his question, showing that no outside agency (federal or state) mandates charging departments for A87 costs, it is a local decision. Supervisor Keefer sees there are discretionary decisions the Board can make in regard to A87 costs.

Auditor Fouch would like to see A87 costs allocated to every department to show the true cost of doing business. Supervisor Keefer responds that allocating the costs is fine, but actually collecting the dollars should be determined separately. Supervisor Chapman would like to see the allocations performed by memo for general fund departments. CAO Bixby suggests continuing with the A87 plan and each year, during the budget process, determine who will be billed.

Supervisor Keefer notes the A87 costs billing to LAFCO brought this matter to the forefront because they were billed for the prior CAO sitting in on LAFCO meetings without any apparent need for his attendance. Supervisor Chapman feels the costs should be billed for federal and state reimbursements and to quantify fees, but not used to squeeze dollars from general fund departments. Discussion is held on the cost effectiveness of applying the costs internally.

LAFCO Commissioner Kurt Bonham feels the budget discussions today and this study session have been excellent. He discusses the true costs of operating, and points out the total costs for each board member is \$90,000 per year.

CAO Bixby states that A87 costs are a good tool, but good common sense needs to be utilized, noting that was not used in regard to the LAFCO billing of the prior CAO's costs. Supervisor Chapman states the Board needs to have the ability to determine which departments are billed and which are handled by memo allocation. He suggests doing a full allocation but not necessarily billing everyone. CAO Bixby states that part of the A87 costs pay for employees.

Chairman Keefer states this will be a part of the budget discussions.

Recess 2:41 - 6:30 p.m.

JOINT MEETING WITH FAIR ADVISORY BOARD

Present: Supervisors Robert Pyle, Lloyd Keefer, Brian Dahle, and Jack Hanson; County Administrative Officer (CAO) Bill Bixby and County Clerk Theresa Nagel. Supervisor Chapman is absent.

Fair Advisory Board members Rebecca Albaugh, Tim Bruce, Dan Douglas, Carol Montgomery, Jose Pena, Mike Ratkey and Dena Wemple; Interim Fair Manager Jim Jeskey and Fair Manager Jim Wolcott. Leslie Corder and Jerry Hitchings are absent.

PUBLIC COMMENT

1. Chuck Oxford comments on the nice work the Rotary is doing to the fairgrounds entrance. He notes in the 1980s the Sheriff's Posse, Cattleman's Assn. and Farm Bureau provided a lot of work on the arena - they put a lot of public effort and money into the fair, (Supervisor Chapman enters at 6:35 p.m.) but the arena has not been maintained. He also notes, at that same time, the Fair Board designated that \$1,000 a year was to go toward maintenance of the arena and this has not occurred. He sure hopes the work by the Rotary is properly maintained.
2. Violet Stout asks why we have a Fair Advisory Board and also wants to know where the money comes from to run the fair. Chairman Keefer responds with information on where the funding comes from and states the roles and responsibilities of the advisory board is one of the topics of discussion tonight. Supervisor Chapman states we do not have to have an advisory board, but we want one, and the more people involved, the more there are to get things done. Fair Manager Jim Wolcott states the advisory board does a lot of work that one person could not do alone - he really appreciates what they contribute.

ROLES AND RESPONSIBILITIES

Supervisor Dahle suggests that two Board of Supervisors could be assigned to be an extension of the advisory board. What he hears from his appointees is the need for the advisory board to have some ownership in decision making. Supervisor Chapman does not favor having designated Supervisors on the advisory board because in the past this type of structure failed as the supervisors abused their positions on the advisory board. As an alternative he suggests a committee of the Board be available to give advice to the fair manager and also attend advisory board meetings and function as a liaison.

Dan Douglas states the Fair Advisory Board (FAB) only acts as the ears for the Board of Supervisors (BOS) and they need some ability to make decisions. Supervisor Dahle wants the FAB to have more responsibility and be able to make decisions and he wants the fair manager working with the FAB.

Dena Wemple sees advantages with having BOS members at FAB meetings as it would let them see what is going on - now the BOS only hear about problems.

Tim Bruce feels sympathy for the fair manager because of so many bosses. He also feels maintenance is a big issue.

Carol Montgomery states she has always spoken with her BOS member and expects the board members to contact their appointees to ask how things are going. She states it would be nice to have board members drop in on meetings so they know what is going on. She wants the fair to be successful and to work for the community. She does not want it to be controversial or negative.

Dan Douglas would like the FAB to meet semi-annually with the BOS.

Rebecca Albaugh states we have a new team and she wants to give this new team a chance to work together before making changes. If, after a year, there are problems then look at making a change.

Jose Pena agrees with Ms. Albaugh and also wants to see the fairgrounds utilized more.

Mike Ratkey feels the new group is working well together and working well with the new fair manager. He does not see any need for change at this time. He thanks the BOS for choosing Mr. Wolcott and for holding tonight's meeting. He also wants to see more input from the public.

Fair Manager Jim Wolcott states that he can't have fifteen bosses, but he can work well with ten advisors and he feels everyone is working together very well. He does not want to wait six months to hear about a problem. He wants to hear from any board member if they hear something negative from the community - wants to know right away.

Jim Jeskey sees the need for a fair mechanism to evaluate the fair manager and also cautions against waiting for six months if there is some problem.

Supervisor Pyle feels the current structure should be given an opportunity to work, and that semi-annual joint meetings should be held.

CAO Bixby suggests the FAB do the fair manager performance appraisal and come to the BOS in closed session to present their evaluation.

Consensus is to leave the structure the way it is and to have board members (on a rotation basis) attend the FAB meetings as guest observers.

POLICIES

Chairman Keefer feels the consensus is for semi-annual joint meetings to be held - one following the fair and one approximately six months later.

Supervisor Dahle points out the fair manager can schedule updates to the BOS any time he wishes by communicating with the Clerk to the Board.

GENERAL DISCUSSION

Fair Manager Wolcott reports he has a committee in place to discuss long-term goals for improvements to the fairgrounds. He notes the Rotary has done a great job the last two years in improving the grounds and there is a commitment to 2006 by both Rotary Clubs. He states the county needs to look at what can be done for the parking lot and controlling the parking along the entrance road to protect the new fencing. He has suggestions for creating a walkway along the entrance road as a safety measure.

Supervisor Chapman agrees that improvements need to be made, but we need to get some dollar amounts of the suggested improvements. He advises the fair manager to put a list together, with amounts, and submit it to the BOS. He also suggests the FAB identify other items that need attention and affix priorities.

Supervisor Hanson feels a changeable message sign to show what is happening at the fair is needed. Supervisor Keefer states a capital outlay list is needed. Supervisor Dahle advises that plans be ready for projects, because if money becomes available we have to move quickly.

Dan Douglas states that promoting and marketing the fairgrounds has to continue all year long and he feels a good sign will really be helpful.

Fair Manager Jim Wolcott is looking into several ways to better market the fair.

Chairman Keefer asks Fair Manager Wolcott if there are any structural staffing changes he would like to have considered. Mr. Wolcott responds the State Fairs and Expositions has the availability of experienced interns to help local fairs and he will be contacting them.

Chairman Keefer sums up: leave the structure as is; hold semi-annual joint meetings; BOS will setup arrangements to rotate attendance at the FAB meetings; fair manager evaluations will continue to be performed by the BOS with input from the FAB and will be conducted twice a year. He states the new fair manager will need good support from the FAB and BOS.

Fair Manager Wolcott asks the BOS what they think about the rodeo. Supervisor Chapman would like to see it continue if at all possible. Supervisor Keefer thinks maybe

the marketing could improve. Supervisor Pyle feels the rodeo is something people like to see at the fair, but it continues to lose money and he does not see it ever being a money maker. Tim Bruce agrees it is a losing proposition and feels the community has changed and is no longer a rodeo population, but he suggests moving the event to the north arena and holding the event in conjunction with the fair. Supervisor Dahle states we are looking at running the fairgrounds as a business and a business would not continue with a money loser. Supervisor Chapman wonders what the new people in the community really want to see at the fairgrounds.

Jim Jeskey expresses his appreciation of how helpful and cooperative county staff was during his time as interim manager.

There being no further business, the meeting is adjourned at 8:13 p.m.

SUPERVISORS

CHAIRMAN OF THE BOARD OF

ATTEST:

THERESA NAGEL, CLERK OF THE BOARD